

106TH CONGRESS
1ST SESSION

S. 870

To amend the Inspector General Act of 1978 (5 U.S.C. App.) to increase the efficiency and accountability of Offices of Inspector General within Federal departments, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 22, 1999

Ms. COLLINS (for herself, Mr. ROTH, Mr. GRASSLEY, and Mr. BOND) introduced the following bill; which was read twice and referred to the Committee on Governmental Affairs

A BILL

To amend the Inspector General Act of 1978 (5 U.S.C. App.) to increase the efficiency and accountability of Offices of Inspector General within Federal departments, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Inspector General Act
5 Amendments of 1999”.

6 **SEC. 2. APPOINTMENT AND REMOVAL OF OFFICERS.**

7 (a) IN GENERAL.—Section 3(a) of the Inspector Gen-
8 eral Act of 1978 (5 U.S.C. App.) is amended—

1 (1) by inserting “(1)” after “(a)”; and

2 (2) by adding at the end the following new
3 paragraph:

4 “(2)(A) Each appointment under this subsection
5 shall be for a term of 9 years. An individual may serve
6 more than 1 term.

7 “(B) An individual may continue to serve as Inspec-
8 tor General beyond the expiration of the term until a suc-
9 cessor is appointed and has qualified, except that such in-
10 dividual may not continue to serve for more than 1 year
11 after the date on which the term would otherwise expire
12 under this paragraph.”.

13 (b) EFFECTIVE DATE.—The amendment made by
14 this section shall take effect on the date of enactment of
15 this Act and shall apply only to an appointment made on
16 or after such date.

17 **SEC. 3. PROHIBITION OF CASH BONUS OR AWARDS.**

18 Section 3 of the Inspector General Act of 1978 (5
19 U.S.C. App.) is amended by adding at the end the fol-
20 lowing:

21 “(e) An Inspector General (as defined under section
22 8G(a)(2)(6) or 11(3)) may not receive any cash award or
23 cash bonus, including any cash award under chapter 45
24 of title 5, United States Code.”.

1 **SEC. 4. EXTERNAL REVIEWS.**

2 (a) IN GENERAL.—Section 4 of the Inspector General
3 Act of 1978 (5 U.S.C. App.) is amended by inserting at
4 the end the following:

5 “(e)(1)(A) Not less than every 3 years an external
6 review shall be conducted of each Office defined under sec-
7 tions 11(4) and 8G(5).

8 “(B) The Inspector General of each Office defined
9 under sections 11(4) and 8G(5) shall arrange with the
10 General Accounting Office or an appropriate private entity
11 for the conduct of the review.

12 “(C) If an Inspector General contracts with a private
13 entity for a review under this subsection, the private entity
14 shall be contracted in accordance with section 303 of the
15 Federal Property and Administrative Services Act of 1949
16 (41 U.S.C. 253).

17 “(2) At a minimum, an external review under this
18 subsection shall evaluate whether the Office of Inspector
19 General properly manages and controls—

20 “(A) contracts awarded by the Office of Inspec-
21 tor General, including a determination of whether—

22 “(i) procedures used to procure contracts
23 are in accordance with applicable laws and reg-
24 ulations; and

25 “(ii) costs incurred are reasonable and al-
26 lowable under the terms of each contract;

1 “(B) appropriated funds, including a deter-
2 mination of whether training and travel funds are
3 expended in accordance with applicable laws and
4 regulations; and

5 “(C) personnel actions, including a determina-
6 tion of whether hiring and promotion practices used
7 and performance awards issued are in accordance
8 with applicable laws and regulations.

9 “(3) Not later than 30 calendar days after the com-
10 pletion of an external review, a report of the results shall
11 be submitted to the head of the establishment and simulta-
12 neously to the appropriate committees or subcommittees
13 of Congress.”.

14 (b) TECHNICAL AND CONFORMING AMENDMENT.—
15 The section heading for section 4 of the Inspector General
16 Act of 1978 (5 U.S.C. App.) is amended to read as follows:
17 “DUTIES AND RESPONSIBILITIES; REPORT OF CRIMINAL
18 VIOLATIONS TO ATTORNEY GENERAL; EXTERNAL RE-
19 VIEWS”.

20 **SEC. 5. ANNUAL REPORTS.**

21 (a) IN GENERAL.—Section 5(a) of the Inspector Gen-
22 eral Act of 1978 (5 U.S.C. App.) is amended—

23 (1) by striking the first sentence and inserting
24 “Each Inspector General shall, not later than Octo-
25 ber 31 of each year, prepare annual reports summa-
26 rizing the activities and accomplishments of the Of-

1 fice during the immediately preceding 12-month pe-
2 riod ending September 30.”;

3 (2) by striking paragraphs (1) through (12)
4 and inserting the following:

5 “(1) a summary of the program areas within
6 the establishment identified by the Inspector General
7 as high risk because of vulnerabilities to waste,
8 fraud, abuse, and mismanagement;

9 “(2) a description of the most significant au-
10 dits, investigations (administrative, civil, and crimi-
11 nal), and evaluations and inspections completed dur-
12 ing the reporting period;

13 “(3) a summary of each report made to the
14 head of the establishment under section 6(b)(2) dur-
15 ing the reporting period;

16 “(4) a table showing—

17 “(A)(i) the total number of final audit re-
18 ports issued by the Office of Inspector General;
19 and

20 “(ii) the financial benefits associated with
21 the reports segregated by category, such as
22 budget reductions, costs avoided, questioned
23 costs, and revenue enhancements; and

24 “(B) corrective actions taken and program
25 improvements made during the reporting period

1 in response to either an Office of Inspector
2 General audit finding or recommendation (ex-
3 cluding any recommendation included under
4 subparagraph (A) with respect to such correc-
5 tive actions);

6 “(5) a table showing—

7 “(A) the judicial and administrative ac-
8 tions associated with investigations conducted
9 by the Office of Inspector General;

10 “(B) the number of—

11 “(i) cases referred for criminal pros-
12 ecution, civil remedies, or administrative
13 actions;

14 “(ii) cases presented but declined for
15 prosecution, segregated by criminal and
16 civil;

17 “(iii) cases accepted for prosecution
18 (both Federal and State), segregated by
19 criminal and civil;

20 “(iv) defendants indicted;

21 “(v) defendants convicted;

22 “(vi) defendants acquitted or charges
23 dismissed after indictment;

24 “(vii) defendants sentenced to terms
25 of imprisonment;

1 “(viii) defendants sentenced to terms
2 of probation; and

3 “(ix) suspensions, disbarments, exclu-
4 sions, sanctions, or some other similar ad-
5 ministrative action; and

6 “(C) the total amount of fines, restitutions,
7 and recoveries;

8 “(6) a description of the organization and man-
9 agement structure of the Office of Inspector Gen-
10 eral, including—

11 “(A) an organization chart showing the
12 major components of the Office;

13 “(B) a statistical table showing the num-
14 ber of authorized full-time equivalent positions
15 segregated by component and by headquarters
16 and field office; and

17 “(C) the amount of funding received in
18 prior and current fiscal years;

19 “(7) a table showing—

20 “(A) the number of contracts, and associ-
21 ated dollar value, awarded on a noncompetitive
22 basis by the Office of Inspector General; and

23 “(B) with respect to any individual con-
24 tract valued over \$100,000, awarded on a non-
25 competitive basis—

- 1 “(i) the name of the contractor;
- 2 “(ii) statement of work;
- 3 “(iii) the time period of the contract;
- 4 and
- 5 “(iv) the dollar amount of the con-
- 6 tract;
- 7 “(8)(A) a summary of each audit report issued
- 8 in previous reporting periods for which no manage-
- 9 ment decision has been made by the end of the re-
- 10 porting period (including the date and title of each
- 11 such report);
- 12 “(B) an explanation of the reasons such man-
- 13 agement decision has not been made; and
- 14 “(C) a statement concerning the desired time-
- 15 table for achieving a management decision on each
- 16 such report;”;
- 17 (3) by redesignating paragraph (13) as para-
- 18 graph (9);
- 19 (4) in paragraph (9) (as redesignated by para-
- 20 graph (3) of this subsection)—
- 21 (A) by striking “section 05(b)” and insert-
- 22 ing “section 804(b)”; and
- 23 (B) by striking the period and inserting a
- 24 semicolon and “and”; and

1 (5) by adding at the end the following new
2 paragraph:

3 “(10) any other information that the Inspector
4 General determines appropriate to include in the an-
5 nual report.”.

6 (b) SEMIANNUAL REPORTS.—Section 5 of the Inspec-
7 tor General Act of 1978 (5 U.S.C. App.) is amended—

8 (1) by redesignating subsection (f) as sub-
9 section (g); and

10 (2) by inserting after subsection (e) the fol-
11 lowing:

12 “(f)(1) Subject to paragraph (4), in addition to any
13 annual report required to be furnished and transmitted
14 under subsection (b), an Inspector General shall prepare
15 and submit a report described under paragraph (2) to—

16 “(A) the applicable congressional committee, if
17 the chairman or ranking member of a congressional
18 committee with appropriate jurisdiction submits a
19 written request to such Inspector General; or

20 “(B) to the Comptroller General of the United
21 States if the Comptroller General submits a written
22 request to such Inspector General.

23 “(2) A report referred to under paragraph (1) shall—

24 “(A) contain the information required for an
25 annual report under subsection (a); and

1 “(B) summarize the activities of the Office dur-
2 ing the 6-month period ending on March 31 of the
3 calendar year following the date on which the re-
4 quest is made.

5 “(3) A report under this subsection shall be sub-
6 mitted on April 30 of the calendar year following the date
7 on which the request is made.

8 “(4) An Inspector General shall not be required to
9 submit a report under this subsection if the written re-
10 quest for such report is submitted to the Inspector General
11 after November 30 of the calendar year preceding the date
12 on which the report is otherwise required to be submitted
13 to a congressional committee or the Comptroller Gen-
14 eral.”.

15 (c) SUBMISSION OF OTHER REPORTS.—Nothing in
16 the amendments made by this section shall be construed
17 to limit an Inspector General from submitting any report
18 containing in whole or part information required in an an-
19 nual or semiannual report furnished and transmitted
20 under section 5 of the Inspector General Act of 1978 (5
21 U.S.C. App.) to Congress more frequently than on an an-
22 nual or semiannual basis.

23 (d) TECHNICAL AND CONFORMING AMENDMENTS.—

1 (1) Section 4(a)(2) of the Inspector General Act
 2 of 1978 (5 U.S.C. App.) is amended by striking
 3 “semiannual” and inserting “annual”.

4 (2) Section 5 of the Inspector General Act of
 5 1978 (5 U.S.C. App.) is amended—

6 (A) in subsection (b)—

7 (i) by striking “Semiannual” and in-
 8 serting “Annual”; and

9 (ii) by striking “April 30 and”; and

10 (B) in subsection (c)—

11 (i) in the first sentence by striking
 12 “semiannual” and inserting “annual”; and

13 (ii) in the second sentence by striking
 14 “semiannual” and inserting “annual”.

15 (3) Section 8(f) of the Inspector General Act of
 16 1978 (5 U.S.C. App.) is amended by striking “semi-
 17 annual” and inserting “annual”.

18 (4) Section 8A(c) of the Inspector General Act
 19 of 1978 (5 U.S.C. App.) is amended by striking
 20 “semiannual” and inserting “annual”.

21 **SEC. 6. INSPECTORS GENERAL AT LEVEL III OF EXECUTIVE**
 22 **SCHEDULE.**

23 (a) LEVEL IV POSITIONS.—Section 5315 of title 5,
 24 United States Code, is amended by striking each item re-
 25 lating to the following positions:

1 (1) Inspector General, Department of Edu-
2 cation.

3 (2) Inspector General, Department of Energy.

4 (3) Inspector General, Department of Health
5 and Human Services.

6 (4) Inspector General, Department of Agri-
7 culture.

8 (5) Inspector General, Department of Housing
9 and Urban Development.

10 (6) Inspector General, Department of Labor.

11 (7) Inspector General, Department of Trans-
12 portation.

13 (8) Inspector General, Department of Veterans
14 Affairs.

15 (9) Inspector General, Department of Defense.

16 (10) Inspector General, United States Informa-
17 tion Agency.

18 (11) Inspector General, Department of State.

19 (12) Inspector General, Department of Com-
20 merce.

21 (13) Inspector General, Department of the In-
22 terior.

23 (14) Inspector General, Department of Justice.

24 (15) Inspector General, Department of the
25 Treasury.

1 (16) Inspector General, Agency for Inter-
2 national Development.

3 (17) Inspector General, Environmental Protec-
4 tion Agency.

5 (18) Inspector General, Federal Emergency
6 Management Agency.

7 (19) Inspector General, General Services Ad-
8 ministration.

9 (20) Inspector General, National Aeronautics
10 and Space Administration.

11 (21) Inspector General, Nuclear Regulatory
12 Commission.

13 (22) Inspector General, Office of Personnel
14 Management.

15 (23) Inspector General, Railroad Retirement
16 Board.

17 (24) Inspector General, Small Business Admin-
18 istration.

19 (25) Inspector General, Federal Deposit Insur-
20 ance Corporation.

21 (26) Inspector General, Resolution Trust Cor-
22 poration.

23 (27) Inspector General, Central Intelligence
24 Agency.

1 (28) Inspector General, Social Security Admin-
2 istration.

3 (29) Inspector General, United States Postal
4 Service.

5 (b) LEVEL III POSITIONS.—Section 5314 of title 5,
6 United States Code, is amended by adding at the end the
7 following:

8 “Inspector General, Department of Education.

9 “Inspector General, Department of Energy.

10 “Inspector General, Department of Health and
11 Human Services.

12 “Inspector General, Department of Agriculture.

13 “Inspector General, Department of Housing
14 and Urban Development.

15 “Inspector General, Department of Labor.

16 “Inspector General, Department of Transpor-
17 tation.

18 “Inspector General, Department of Veterans
19 Affairs.

20 “Inspector General, Department of Defense.

21 “Inspector General, Department of State.

22 “Inspector General, Department of Commerce.

23 “Inspector General, Department of the Interior.

24 “Inspector General, Department of Justice.

1 “Inspector General, Department of the Treas-
2 ury.

3 “Inspector General, Agency for International
4 Development.

5 “Inspector General, Corporation for Community
6 and National Service.

7 “Inspector General, Environmental Protection
8 Agency.

9 “Inspector General, Federal Emergency Man-
10 agement Agency.

11 “Inspector General, General Services Adminis-
12 tration.

13 “Inspector General, National Aeronautics and
14 Space Administration.

15 “Inspector General, Nuclear Regulatory Com-
16 mission.

17 “Inspector General, Office of Personnel Man-
18 agement.

19 “Inspector General, Railroad Retirement
20 Board.

21 “Inspector General, Small Business Administra-
22 tion.

23 “Inspector General, Federal Deposit Insurance
24 Corporation.

1 “Inspector General, Central Intelligence Agen-
2 cy.

3 “Inspector General, Social Security Administra-
4 tion.

5 “Inspector General, United States Postal Serv-
6 ice.”.

7 (c) SAVINGS PROVISION.—Nothing in this section
8 shall have the effect of reducing the rate of pay of any
9 individual serving as an Inspector General on the effective
10 date of this section.

11 **SEC. 7. OFFICES OF INSPECTOR GENERAL IN CERTAIN DES-**
12 **IGNATED FEDERAL ENTITIES.**

13 (a) TRANSFER OF FUNCTIONS.—Section 9(a)(1) of
14 the Inspector General Act of 1978 is amended—

15 (1) in subparagraph (J)—

16 (A) by inserting “(i)” after “(J)”;

17 (B) by inserting “and” after the semicolon;

18 and

19 (C) by adding at the end the following:

20 “(ii) of the Department of Labor, the
21 Office of Inspector General of the Pensions
22 Benefit Guaranty Corporation, effective 30
23 days after the date of enactment of the In-
24 spector General Act Amendments of
25 1999;”;

1 (2) in subparagraph (K)—

2 (A) by inserting “(i)” after “(K)”;

3 (B) by inserting “and” after the semicolon;

4 and

5 (C) by adding at the end the following:

6 “(ii) of the Department of Transpor-
7 tation, the Office of Inspector General of
8 the Federal Maritime Commission, effec-
9 tive 30 days after the date of enactment of
10 the Inspector General Act Amendments of
11 1999;” and

12 (3) in subparagraph (R)—

13 (A) by inserting “(i)” after “(R)”;

14 (B) by inserting “and” after the semicolon;

15 and

16 (C) by adding at the end the following:

17 “(ii) of the Office of Personnel Man-
18 agement, the Office of Inspector General of
19 the Federal Labor Relations Authority, ef-
20 fective 30 days after the date of enactment
21 of the Inspector General Act Amendments
22 of 1999;”.

23 (b) ADMINISTRATIVE PROVISIONS.—

1 (1) TERMINATION OF OFFICES.—The Office of
 2 Inspector General of each designated Federal entity
 3 transferred under subsection (a) is terminated.

4 (2) INCUMBENTS.—The individual who is the
 5 Inspector General of a designated Federal entity
 6 transferred under subsection (a)—

7 (A) shall be transferred to the Office of In-
 8 specter General of the applicable establishment;

9 (B) shall be an employee of such Office
 10 under the direction of the Inspector General of
 11 the applicable establishment; and

12 (C) shall continue to be compensated at
 13 not less than the rate provided for before such
 14 transfer, for at least 1 year after the date of
 15 such transfer.

16 (3) PERSONNEL AND ASSETS.—Section 9 (b)
 17 and (c) of the Inspector General Act of 1978 (5
 18 U.S.C. App.) shall apply to the transfers made by
 19 the amendments under subsection (a) of this section.

20 (c) FORMER DESIGNATED FEDERAL ENTITY.—Sec-
 21 tion 8G(a)(2) of the Inspector General Act of 1978 (5
 22 U.S.C. App.) is amended by striking “the Corporation for
 23 Public Broadcasting, the Equal Employment Opportunity
 24 Commission, the Farm Credit Administration, the Federal
 25 Communications Commission, the Federal Election Com-

1 mission, the Federal Housing Finance Board, the Federal
 2 Labor Relations Authority, the Federal Maritime Commis-
 3 sion, the Federal Trade Commission, the Legal Services
 4 Corporation, the National Archives and Records Adminis-
 5 tration, the National Credit Union Administration, the
 6 National Endowment for the Arts, the National Endow-
 7 ment for the Humanities, the National Labor Relations
 8 Board, the National Science Foundation, the Panama
 9 Canal Commission, the Peace Corps, the Pension Benefit
 10 Guaranty Corporation,” and inserting “the Corporation
 11 for Public Broadcasting, the Equal Employment Oppor-
 12 tunity Commission, the Farm Credit Administration, the
 13 Federal Communications Commission, the Federal Elec-
 14 tion Commission, the Federal Housing Finance Board, the
 15 Federal Trade Commission, the Legal Services Corpora-
 16 tion, the National Archives and Records Administration,
 17 the National Credit Union Administration, the National
 18 Endowment for the Arts and the National Endowment for
 19 the Humanities, the National Labor Relations Board, the
 20 National Science Foundation, the Panama Canal Commis-
 21 sion, the Peace Corps,”.

22 (d) AMENDMENTS RELATING TO SPECIAL PROVI-
 23 SIONS CONCERNING FORMER DESIGNATED FEDERAL EN-
 24 TITIES.—

1 (1) RULE OF CONSTRUCTION OF SPECIAL PRO-
 2 VISIONS.—Section 8I of the Inspector General Act of
 3 1978 (5 U.S.C. App.) (relating to rule of construc-
 4 tion of special provisions) is amended—

5 (A) by striking “SEC. 8I” and inserting
 6 “SEC. 8K”; and

7 (B) by striking all beginning with “special
 8 provisions” through “of this Act” and inserting
 9 “special provisions under section 8, 8A, 8B, 8C,
 10 8D, 8E, 8F, or 8H of this Act.”.

11 (2) SPECIAL PROVISIONS CONCERNING FORMER
 12 DESIGNATED FEDERAL ENTITIES.—The Inspector
 13 General Act of 1978 (5 U.S.C. App.) is amended by
 14 inserting after section 8H the following:

15 “SPECIAL PROVISIONS CONCERNING FORMER

16 DESIGNATED FEDERAL ENTITIES

17 “SEC. 8I. (a) For purposes of this section, the term—

18 “(1) ‘establishment’ means any establishment
 19 to which an office is transferred under section
 20 9(a)(1) (J), (K), or (R); and

21 “(2) ‘former designated Federal entity’ means a
 22 designated Federal entity from which any office is
 23 transferred under section 9(a)(1) (J), (K), or (R).

24 “(b) The Office of Inspector General of each estab-
 25 lishment shall perform all duties, responsibilities, and
 26 functions of an Office of Inspector General under this Act

1 with respect to each applicable former designated Federal
2 entity.

3 “(c) The Inspector General of an establishment shall
4 prepare and submit an annual report under section 5 re-
5 lating to each applicable former designated Federal entity
6 to the head of such former designated Federal entity.

7 “(d) In the administration of section 5(d) with re-
8 spect to a former designated Federal entity—

9 “(1) the Inspector General shall make the re-
10 quired report to the head of such former designated
11 Federal entity instead of the head of the establish-
12 ment; and

13 “(2) the head of such former designated Fed-
14 eral entity shall make the required transmittal to
15 Congress.

16 “(e) The head of each former designated Federal en-
17 tity shall provide the Office of the Inspector General of
18 the applicable establishment with such office space, equip-
19 ment, supplies, facilities, and services as may be nec-
20 essary, in the same manner as provided under section 6(c).

21 “SPECIAL PROVISIONS CONCERNING THE NATIONAL EN-
22 DOWMENT FOR THE ARTS AND THE NATIONAL EN-
23 DOWMENT FOR THE HUMANITIES

24 “SEC. 8J. For purposes of this Act—

1 “(1) the National Endowment for the Arts and
2 the National Endowment for the Humanities shall
3 be treated as a single designated Federal entity;

4 “(2) subject to paragraph (3), the heads of the
5 designated Federal entities of the National Endow-
6 ment for the Arts and the National Endowment for
7 the Humanities (as determined under section 8H)
8 shall jointly exercise all functions of the head of a
9 designated Federal entity; and

10 “(3) in the appointment of a single Inspector
11 General for the National Endowment for the Arts
12 and the National Endowment for the Humanities,
13 the heads of such designated Federal entities shall
14 consult with the Deputy Director for Management of
15 the Office of Management and Budget.”.

16 (e) EFFECTIVE DATE.—The amendments made by
17 this section shall take effect 30 days after the date of en-
18 actment of this Act.

○